Your capital is at risk. Past performance is not a guide to future returns. The following update is based on a representative portfolio. As such, stock examples may not be held in every client portfolio, and performance may differ.

Ben James: The final quarter of 2025 was one of those where the index level tells you very little about what it felt like to actually invest in the period.

US markets ended the year strong, but underneath, there was a lot of debate, especially around AI, where excitement and genuine progress sat alongside questions about valuations and the quality of some of the funding.

With inflation easing and rates coming down, the macro backdrop improved, but the pace of change has created what one of my colleagues has called vertigo: a sense that we're living through multiple stacked transitions that are reshaping how work gets done and how businesses compete.

It's unsettling, and events such as the US's intervention in Venezuela on 3rd of January only add more layers of geopolitical uncertainty to an already complex market environment.

Turning to performance, the strategy underperformed in the quarter. Results were affected by sharp swings in sentiment around AI.

As some in the market questioned the sustainability and returns of today's AI capital expenditure, some correlated growth names sold off in October and November.

Meanwhile, the largest benchmark constituents held up better, which created a headwind for us.

That said, perspective really matters. The end of 2025 also capped a strong three-year recovery in portfolio performance from the 2022 sell-off. Over this period, fundamental growth and profitability drove returns well ahead of the S&P 500 and broadly in line with growth indices, with a much wider base of contributors than today's concentrated benchmarks.

It's a reminder that sentiment and events move prices in the short run; fundamentals drive outcomes over the long run.

Looking at the detractors for the last few months, gaming platform Roblox gave back some prior gains despite very strong underlying growth, with bookings up 70% and revenue up 48%. Management signalled higher investment in AI, creator tools, safety and data-centre capacity, which will weigh on near-term profitability, and the market disliked that.

Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Telephone +44 (0)131 275 2000 / bailliegifford.com

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Education app Duolingo de-rated after guiding bookings below expectations, this is despite paid subscribers rising to 11.5 million.

And Netflix fell despite 17% revenue growth, after a one-off Brazilian tax charge and amid debate around the proposed Warner Bros. acquisition.

However, on the positive side this quarter, Guardant Health, Shopify and Lemonade were notable contributors.

Guardant, which is the precision blood testing company, grew revenue close to 40% year on year and raised guidance, reinforcing our view that it's becoming a multi-product diagnostics platform.

E-commerce platform Shopify's revenues rose 32% year on year, supported by enterprise demand and AI-enabled tools, with operating leverage continuing to emerge.

And innovative insurance company Lemonade also continues to progress well: in-force premiums grew around 30% and gross profit more than doubled as underwriting improved.

In a period like this, portfolio construction matters as much as individual stock stories. In our December review, we ensured we maintained balance in portfolio shape, ensuring that we had at least a third of the portfolio in Enduring Growth names such as healthcare provider Ensign Group, and participating in the IPO of Medline, the leading medical product supplier in the US, as well as moving on from a few transformational growth names such as The Trade Desk.

The Trade Desk, after seven years in the strategy, we decided to sell our holding in this independent advertising technology platform. While the company has delivered exceptional revenue growth and strong returns since our initial investment, we have concerns about the durability of its competitive position and limited asymmetry from here.

We re-initiated a position in Alphabet, which we last held between 2013 and 2021, as our confidence increased in its AI capabilities and integration across its platforms.

We also bought Coinbase as a regulated exchange and infrastructure provider, where we see a long-term opportunity as participation broadens and the company diversifies.

Looking ahead, our stance is pragmatic. Vertigo is the right word for this moment: stacked technological change, shifting liquidity conditions, and a bifurcated US consumer all create noise and occasional sharp drawdowns.

Over the past 18 months, we've strengthened portfolio guardrails around financial maturity and diversified sources of demand, so we can hold great businesses through volatility rather than react to it.

Our job is to keep the portfolio resilient, avoid over-adjusting to the risk everyone is talking about, and stay anchored in growth opportunity, edge and company culture, investing in

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Telephone +44 (0)131 275 2000 / bailliegifford.com

businesses we believe can compound through long-term structural change, not just through one quarter. In this regard, we remain extremely optimistic.

US Equity Growth

Annual past performance to 31 December each year (%)

	2021	2022	2023	2024	2025
US Growth Composite (gross)	-3.5	-55.3	47.3	31.3	10.5
US Growth Composite (net)	-4.0	-55.5	46.6	30.6	9.9
S&P 500 Index	28.7	-18.1	26.3	25.0	17.9

Annualised returns to 31 December 2025 (%)

	1 year	5 years	10 years
US Growth Composite (gross)	10.5	-1.6	16.0
US Growth Composite (net)	9.9	-2.1	15.5
S&P 500 Index	17.9	14.4	14.8

Source: Revolution, S&P. US dollars. Returns have been calculated by reducing the gross return by the highest annual management fee for the composite. 1 year figures are not annualised.

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Calton Square, 1 Greenside Row, Edinburgh EH1 3AN
Telephone +44 (0)131 275 2000 / bailliegifford.com

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